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MILK MARKET INFORMATION

CHATTANOOGA, TENNESSEE MARKETING AREA

Volume 8

April 1964

Number 9

Released Pursuant to \$1090.27 (j) and \$1090.85, USDA-AMS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY APRIL 1964

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 3.5% are: Base Milk \$4.97, Excess Milk \$2.65. The butterfat differential is 7.4 cents for each one-tenth of one percent above or below 3.5%.

During April 86.8% of the total producer milk was priced in Class I at \$5.08 per cwt. with a butterfat differential of 7.5 cents and 13.2% priced in Class II at \$2.69 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 87.2% and 76.8% respectively. Base milk was 89.8% and excess milk was 10.2% of the total producer deliveries. All excess milk and 3.4% of base milk was priced in Class II and 96.6% of base milk was priced in Class I.

The daily average deliveries of producer milk during April increased 4.3% compared with March and decreased 4.4% compared with April 1963. The daily average use of Class I milk increased 2.0% compared with March and increased 11.4% compared with April 1963. The daily average base delivered was 93.6% of the established base.

MILK SAMPLES TESTED - Producer Fresh Samples 5,625 - Handler Finished Products 1,75
During April an average of 8.5 samples per producer was used to determine butterfat content and pay test. Other samples were used by the plants and various agencies to determine water, bacteria, antibiotics, etc.

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APRIL 1964 TOTAL CLASS I UNIT SALES BY 8 POOL AND 5 NON-POOL PLANTS ^{1/}

	GALS.	^{1/2} GALS.	QUARTS	PINTS	^{1/2} PINTS	PRODUCT LBS.	%-TOTAL
Homo & Std. Milk	434,248 ^{3/}	1,291,518	363,383	453,784	2,785,470	12,054,342	83.03
Special Skim	24,859	7,280	-	-	-	246,517	1.70
Regular Skim	To ^{1/2} Gal. ^{2/}	69,104	85,862	-	7,929	488,838	3.37
Buttermilk	To ^{1/2} Gal. ^{2/}	207,257	168,409	27,167	20,541	1,293,531	8.91
Flavored Drink	-	-	4,746	23,619	9,666	38,749	.27
Flavored Milk	To ^{1/2} Gal. ^{2/}	7,826	44,454	122,063	117,364	310,642	2.14
Cream (^{1/2} & ^{1/2})	-	-	4,487	35,244	-	46,981	.32
Light Cream (X)	-	-	2,086	-	1,380	5,105	.04
Heavy Cream (XX) To Qts. ^{2/}	-	-	1,505	-	29,804	18,451	.13
Sour Cream	418	-	-	193	21,679	15,111	.09
				Total Pounds		14,518,267	100.00

CURRENT SERIAL RECORDS

^{1/} Includes all unit sales by pool plants and sales "In Area" by non-pool plants.

^{2/} Restricted; distributed by less than 3 handlers.

^{3/} Includes Glass and Paper gal., ^{1/2} gallon Twin-Pak, 10 quart dispenser containers.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% Apr. 1964 Over Apr. 1963	April 1964	March 1964	April 1963
Number of Plants (Pool and Non-Pool)		13	13	16
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Deliveries - Base	- 4.5	499,659	498,640	523,287
- Excess	- 3.4	56,481	34,482	58,480
- Total	- 4.4	556,140	533,122	581,767
Other Source	-26.8	14,020	11,929	19,156
Other Order	+ 8.8	41,695	32,908	38,316
Total Milk Receipts	- 4.3	611,855	577,959	639,239
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	+14.2	401,811	393,970	351,971
Fluid Skim	+19.0	24,512	23,993	20,600
Buttermilk	- 4.6	43,118	41,833	45,183
Flavored Milk and Drink	- 4.9	11,646	11,055	12,250
Fluid Cream (Sweet & Sour)	+ 4.1	2,855	2,897	2,742
Bulk to Non-Handlers	-64.8	582	2,154	1,654
Shrinkage Class I	-22.1	2,192	1,527	2,813
Other		(343)	(407)	(472)
Total Class I Milk	+11.4	486,373	477,022	436,741
Class II Uses:				
Butter	-91.3	553	570	6,356
Cottage Cheese	+ 1.0	23,440	24,069	23,207
Powdered and Condensed Milk	-62.8	39,374	22,969	105,735
Ice Cream	-16.1	43,027	33,575	51,275
Stockfeed	+ 0.7	5,015	3,988	4,978
Shrinkage Class II	-22.0	9,721	9,994	12,456
Other		4,352	5,772	(1,509)
Total Class II Milk	-38.0	125,482	100,937	202,498
Total Class I Pounds in Area	+ 5.6	289,172	283,626	273,877
Total Class I Pounds Outside Area	+21.1	197,201	193,396	162,864
Gross Class I Butterfat Pounds	+12.4	17,339	17,009	15,426
Gross Class II Butterfat Pounds	-29.2	6,752	6,422	9,537
Total Butterfat Pounds	- 3.5	24,091	23,431	24,963
% Producer Milk of Gross Class I		114.3	111.8	133.2
% Producer Milk priced in Class I		86.8	88.7	74.0

MAY 1964 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	May '64	Apr. '64	May '63
Basic Formula	\$3.12	\$3.15	\$3.08
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.20	0.18	(0.04)
Class I Price, 3.5% Butterfat	\$5.07	\$5.08	\$4.79
Per \$ 1090.51 (a)			

Supply-Demand Comparison: 1st and 2nd preceding months: March and April
Supply: Lbs. Producer Milk (Mar. 16,526,778 and Apr. 16,684,200) 33,210,978
Demand: Lbs. Net Class I Milk (Mar. 14,666,516 and Apr. 14,484,673) 29,151,189
Utilization Percentage: Producer milk divided by Class I 114
Standard Utilization Percentage: Range 124-128 124
Net Deviation Percentage: Utilization minus Standard Utilization minus 10
Supply-Demand Adjustment: 2 cents x 10 percentage points plus \$0.20

Since the supply in relation to the demand is less than the desired standard, the price is increased 20 cents per hundredweight (2 cents x 10 percentage points).

COMPUTATION OF UNIFORM PRODUCER PRICES FOR APRIL 1964
Based on 12 plant reports prior to audit (One plant excluded per § 1090.72(a))

	Class %	Milk Pounds	Butterfat Test-%	Cwt.Price @ Test	Value
Gross Class I		13,856,603	3.554		
Less Other Source		116,821	2.341		
Producer Milk Class I	86.3	13,739,782	3.564773	\$5.128580	\$704,655.71
Gross Class II		3,701,209	5.375		
Less Other Source		1,528,777	3.031		
Producer Milk Class II	13.7	2,172,432	7.024017	5.051091	109,731.52
TOTAL PROD. (Cl. I + Cl. II)	100.0	15,912,214	4.037050		814,387.23
Add Fractional Adjustment					0.01
Add Compensatory Payment, Overage, and Inventory Reclassification Values					136.64
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					7,689.01
TOTAL VALUE AT TEST		15,912,214	4.037050		822,212.89
Less Test Over 3.5% @ 7.4¢ per point		15,912,214	0.537050	0.397417	63,237.84
TOTAL PRODUCER MILK VALUE AT 3.5%		15,912,214	3.5		758,975.05
		Pounds	Price 3.5%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,682,072	\$2.69	\$45,247.74	
Total Excess Producer Milk		1,682,072	2.69	45,247.74	
Less Prod.-Settlement Fund Res. @ 4¢		1,682,072	.04		672.83
UNIFORM EXCESS PRICE f.o.b. PLANT - 3.5%		1,682,072	2.65		44,574.91
Value of Base Milk (Total less Excess)		14,230,142	5.015602		713,727.31
Less Producer-Settlement Fund Reserve		14,230,142	0.045602		6,489.23
UNIFORM BASE PRICE f.o.b. PLANT - 3.5%		14,230,142	\$4.97		\$707,238.08

APRIL 1964 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$4.60	\$2.28	4.0	\$5.34	\$3.02	5.0	\$6.08	\$3.76
3.05	4.637	2.317	4.05	5.377	3.057	5.05	6.117	3.797
3.1	4.674	2.354	4.1	5.414	3.094	5.1	6.154	3.834
3.15	4.711	2.391	4.15	5.451	3.131	5.15	6.191	3.871
3.2	4.748	2.428	4.2	5.488	3.168	5.2	6.228	3.908
3.25	4.785	2.465	4.25	5.525	3.205	5.25	6.265	3.945
3.3	4.822	2.502	4.3	5.562	3.242	5.3	6.302	3.982
3.35	4.859	2.539	4.35	5.599	3.279	5.35	6.339	4.019
3.4	4.896	2.576	4.4	5.636	3.316	5.4	6.376	4.056
3.45	4.933	2.613	4.45	5.673	3.353	5.45	6.413	4.093
3.5	4.97	2.65	4.5	5.71	3.39	5.5	6.45	4.13
3.55	5.007	2.687	4.55	5.747	3.427	5.55	6.487	4.167
3.6	5.044	2.724	4.6	5.784	3.464	5.6	6.524	4.204
3.65	5.081	2.761	4.65	5.821	3.501	5.65	6.561	4.241
3.7	5.118	2.798	4.7	5.858	3.538	5.7	6.598	4.278
3.75	5.155	2.835	4.75	5.895	3.575	5.75	6.635	4.315
3.8	5.192	2.872	4.8	5.932	3.612	5.8	6.672	4.352
3.85	5.229	2.909	4.85	5.969	3.649	5.85	6.709	4.389
3.9	5.266	2.946	4.9	6.006	3.686	5.9	6.746	4.426
3.95	5.303	2.983	4.95	6.043	3.723	5.95	6.783	4.463

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/} Per Hundredweight				HANDLER CLASS PRICES ^{1/}			
	Uniform		Base		Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Apr. '63	\$4.23 ^{2/}	\$4.41	\$2.66	7.2¢	\$4.82	7.5¢	\$2.70	6.7¢
May	4.21 ^{2/}	4.34	2.62	7.2	4.79	7.5	2.66	6.7
June	4.17 ^{2/}	4.29	2.62	7.2	4.82	7.5	2.66	6.7
July	4.23 ^{2/}	4.39	2.62	7.2	4.83	7.5	2.66	6.7
Aug.	4.26	-	-	7.2	4.72	7.5	2.66	6.7
Sept.	4.30	-	-	7.4	4.61	7.5	3.20	6.9
Oct.	4.42	-	-	7.6	4.63	7.8	3.15	6.7
Nov.	4.69	-	-	7.4	4.88	7.6	3.13	6.7
Dec.	4.62	-	-	7.4	4.97	7.6	3.12	6.7
Jan. '64	4.77	-	-	7.2	4.97	7.5	3.12	6.7
Feb.	4.78	-	-	7.4	4.98	7.5	2.82	6.7
Mar.	4.77 ^{2/}	4.92	2.71	7.4	5.07	7.5	2.75	6.7
Apr.	4.72 ^{2/}	4.97	2.65	7.4	5.08	7.5	2.69	6.7
May	-	-	-	-	5.07	7.5	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA Minn.-Wisc. Mfg. Grade Milk \$-cwt-3.5%
	4 Tenn. Butter		4 Tenn. Milk Mfg.	Chi. 92° Butter	Chi. Area Powders	
	Milk Mfg.	Powder	\$-cwt-4%	¢ Lb.	¢ Lb.	
Apr. '63	2.70	3.09	3.031	57.97	13.97	3.08
May	2.66	3.09	3.000	57.97	13.94	3.07
June	2.66	3.12	3.000	57.97	14.04	3.08
July	2.66	3.12	3.000	57.97	14.03	3.09
Aug.	2.66	3.12	3.000	57.97	14.07	3.10
Sept.	2.66	3.20	3.000	59.70	14.18	3.12
Oct.	2.73	3.15	3.070	58.48	14.18	3.15
Nov.	2.80	3.13	3.138	58.09	14.26	3.16
Dec.	2.82	3.12	3.150	58.01	14.28	3.16
Jan. '64	2.82	3.12	3.150	57.97	14.30	3.17
Feb.	2.82	3.12	3.150	57.97	14.24	3.16
Mar.	2.75	3.12	3.081	57.97	14.25	3.15
Apr.	2.69	3.12	3.025	57.97	14.19	3.12

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA 3/				Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	
Apr. '63	16	639,239	436,741	430,582	581,767	523,287	706	824	741	83	4.02
May	16	608,339	425,232	418,915	561,122	514,672	701	800	734	66	4.01
June	16	587,215	386,749	380,119	536,089	494,678	700	766	707	59	3.99
July	14	575,549	393,963	387,683	527,174	479,294	697	756	688	68	3.99
Aug.	14	586,869	430,310	423,917	537,729	-	695	774	-	-	4.00
Sept.	14	593,494	450,863	445,015	559,667	-	694	806	-	-	4.02
Oct.	14	557,444	477,892	471,754	531,484	-	689	771	-	-	4.20
Nov.	14	541,145	477,597	472,618	517,129	-	684	756	-	-	4.29
Dec.	14	554,904	443,411	438,851	519,303	-	683	760	-	-	4.42
Jan. '64	13	568,225	490,701	485,963	532,319	-	683	779	-	-	4.33
Feb.	13	575,791	497,065	491,080	533,574	-	683	781	-	-	4.24
Mar.	13	577,959	477,022	472,706	533,122	498,640	678	786	735	51	4.15
Apr.	13	611,855	486,373	482,479	556,140	499,659	658	845	759	86	4.04

^{1/} Excludes Premiums^{2/} For Statistics^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I